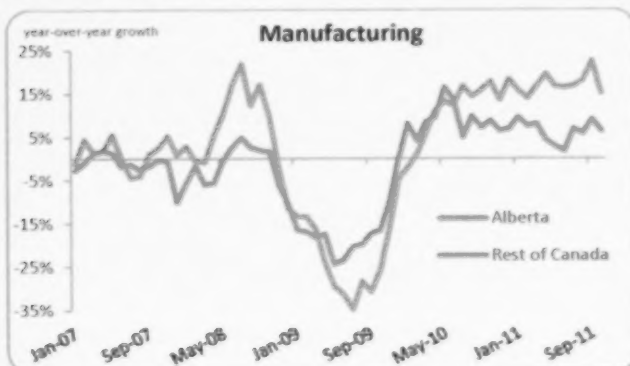


Manufacturing Shipments

Alberta shipments dip, but remain ahead of last year...

Manufacturing in Alberta took a breather in October. Shipments dropped 4.2% to \$6.0 billion for only the fifth decline in the last 26 months. The October decline was fairly broad-based with 8 of 14 reporting industries seeing sales dip. Despite the monthly drop, 2011 has turned into a strong year for manufacturers. Alberta shipments are closing in on pre-recession levels, and witnessed yet another solid year-over-year gain (15.0%) in October. Nationally, manufacturing sales dropped for the first time in four months (-0.8%), with declines posted in seven provinces.



Housing

Alberta housing activity posts moderate gains ...

Alberta housing remains in a balanced market with modest changes in prices and activity. Prices for existing homes in Alberta edged up 0.6% in November and were relatively flat (+1.8%) on a year-over-year basis. Meanwhile, existing home sales declined 2.0% to 4,414 in November, but still came in 5.1% higher when compared to the same month last year. At the city level, results were mixed, with Calgary sales growing 16.4% year-over-year and Edmonton down 1.4%.

Alberta rental market vacancy rates dip...

According to Canada Mortgage and Housing Corporation, the Alberta rental market is tightening. Average apartment vacancy rate for Alberta urban centres dropped significantly to 3.4% in October from 4.6% the same month last year (in Calgary, the rate sits only at 1.9%). The average Alberta apartment rented for \$951 in October, a small increase from \$943 a year earlier.

New Motor Vehicle Sales

Alberta car and truck sales highest since early 2008...

Albertans are buying cars and trucks at levels not seen since before the recession. Alberta vehicle sales jumped 6.6% in the month of October and were up a staggering 20.0% when

Canadian Dollar (US\$/C\$)

December 16, 2011	96.26
December 9, 2011	98.03
2011-12 Fiscal YTD Average	101.22

WTI Oil US\$/bbl*

December 16, 2011	\$93.53
December 9, 2011	\$99.41
2011-12 Fiscal YTD Average	\$95.11

Nymex Natural Gas US\$/MMBtu*

December 16, 2011	\$3.13
December 9, 2011	\$3.32
2011-12 Fiscal YTD Average	\$4.02

*Based on the closing price of the near month contract

compared to the same month last year (nationally the year-over-year increase was only 3.1%). This represents the eighth consecutive month of annual increases for vehicle purchases in Alberta.

Employment Insurance (EI)

Number of EI beneficiaries continues to decline...

The number of Albertans on unemployment benefits has decreased in 21 of the past 24 months, reflecting ongoing strength in the province's labour market. The number of beneficiaries in Alberta fell by 2.5% in October, the largest drop in the country. Compared to the same month last year, the number of beneficiaries plummeted 38.5% in Alberta, almost double the national decline of 20.3%.

Industrial Capacity Utilization Rates

Oil and gas industry operating near capacity ...

The Canadian oil and gas industry operated at 88.2% of its production capacity in the third quarter - the highest rate since early 2003. Overall, Canadian industries were operating at 81.3% of their capacity in the third quarter, up from 77.5% a year earlier.

Household Sector Net Worth

Canadians continue to pile on debt...

Canadians set a new record for household debt in the third quarter. The ratio of debt to disposable income (personal income after taxes) increased to a high of 153.0% in the third quarter, from 148.3% a year earlier. Mark Carney, the Governor of the Bank of Canada, recently cited Canadian household debt as a significant risk to the Canadian economy, noting that a negative economic shock, such as a rise in interest rates or a fall in jobs, could put many Canadians in financial stress.

Current Economic Indicators

Population	2009	2010	2011YTD [*]	June	July	Aug	Sep	Oct	Nov
Population ¹ (000's) (level)	3,672	3,721	3,779	--	3,779	--	--	--	--
% change	2.2	1.3	1.6	--	1.6	--	--	--	--
Net Interprovincial Migration ¹ (level)	13,184	-2,183	13,680	--	4,720	--	--	--	--
Net International Migration ¹ (level)	16,835	21,533	22,081	--	7,080	--	--	--	--
Net Non-permanent Residents ¹ (level)	19,162	-77	-7,988	--	1,233	--	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,090	2,091	2,103	2,110	2,118	2,126	2,130
% change	-1.3	-0.4	3.7	3.5	3.8	4.2	4.8	4.3	4.8
Unemployment Rate (%)	6.6	6.5	5.5	5.6	5.5	5.6	5.4	5.1	5.0
Participation Rate (%)	74.3	72.9	73.6	73.7	73.9	74.1	74.2	74.1	74.1
Average Weekly Earnings (\$)	950.01	993.13	1,034.20	1,038.46	1,026.42	1,044.26	1,042.77	--	--
% change	2.8	4.5	4.6	4.7	2.6	4.3	3.8	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.3	2.1	1.9	2.9	2.8	3.4	--
Excluding food and energy	1.4	0.8	0.7	0.2	0.4	0.8	1.4	1.1	--
Non-Res. Building Cons. Price Index ²	-9.8	-0.1	3.1	--	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	16.4	16.5	15.5	10.8	12.7	--	--
Crops	-18.9	-14.5	17.6	22.6	21.2	7.4	8.0	--	--
Livestock	-2.8	5.7	16.6	14.1	13.8	15.4	14.6	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	25.0	23.7	25.6	31.2	24.3	32.0	28.7
% change	-31.6	33.5	-8.7	-11.6	-12.6	32.8	-12.0	23.6	32.3
New Housing Price Index	-9.0	0.5	0.4	0.3	0.1	0.2	0.0	0.7	--
Edmonton	-11.2	-0.8	0.9	1.2	1.1	0.9	0.6	1.1	--
Calgary	-6.7	1.7	-0.1	-0.3	-0.8	-0.5	-0.5	0.3	--
MLS Average Resale Prices (\$ 000's)	340.5	350.9	355.7	351.7	353.6	356.9	362.4	358.3	360.4
% change	-3.1	3.1	0.8	-1.3	0.4	2.4	2	2.9	1.8
Edmonton	319.1	326.5	325.0	322.6	326.1	325.5	332.5	326.9	326.7
% change	-3.5	2.3	-1.3	-1.8	0.0	-1.3	1.5	0.6	-1.1
Calgary	384.3	397.4	402.2	399.3	399.2	405.7	408.5	402.1	402.2
% change	-4.2	3.4	0.7	-2.3	-0.9	3.6	-0.4	1.5	-0.2
Retail Sales	-8.3	6.0	6.4	7.8	6.6	6.8	7.5	--	--
New Motor Vehicle Sales	-21.7	9.3	8.9	17.0	7.0	5.7	5.5	20.0	--
Consumer Bankruptcies	9,986	8,150	4,929	649	534	595	--	--	--
% change	64.6	-18.4	-10.9	-16.6	-14.7	-3.3	--	--	--
Business Sector									
Rigs Drilling	128	207	276	150	240	323	346	335	330
% change	-45.6	61.3	42.2	26.9	20.8	45.4	95.5	28.7	19.4
Goods Exports (customs based)	-36.6	12.4	16.0	12.8	16.4	24.5	27.2	18.1	--
Energy	-40.2	17.2	17.1	11.9	19.2	25.2	27.3	21.9	--
Agriculture	-12.3	-14.4	9.1	-0.2	8.4	7.4	29.5	23.3	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.4	--	15.0	--	--	--	--
Manufacturing Shipments	-23.7	11.0	17.2	16.4	16.8	18.1	22.5	15.0	--
Wholesale Trade	-15.9	10.8	14.2	18.3	15.7	13.8	12.1	--	--
Building Permits	-14.2	2.1	7.4	-14.9	17.4	39.4	29.6	13.2	--
Residential	-11.8	24.7	-0.3	-3.6	9.5	29.0	33.3	22.5	--
Non-residential	-16.3	-19.0	18.7	-26.1	30.3	53.0	24.6	0.9	--
Business Bankruptcies	405	378	174	16	15	26	--	--	--
% change	-9.4	-6.7	-32.3	-30.4	-44.4	-13.3	--	--	--

Government of Alberta

Finance

Alberta

* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

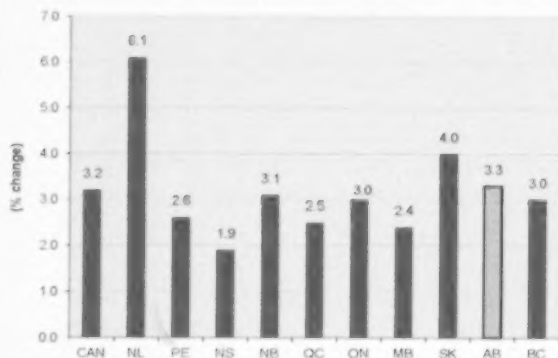
¹ Quarterly; annual numbers are presented on a census year basis (July 1-June 30).

² Quarterly, average of Calgary and Edmonton

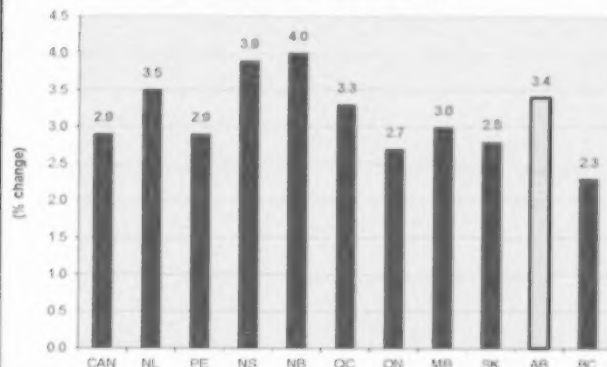
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province

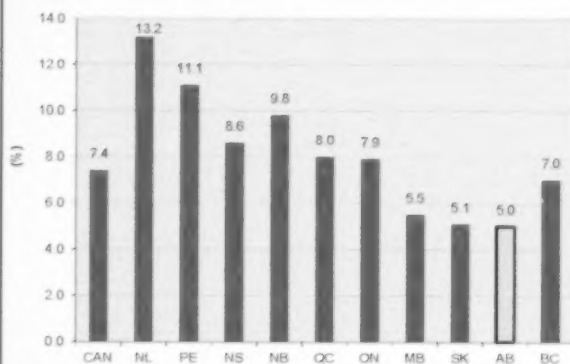
2010 Real GDP Growth by Province
(2010 year-over-year growth)



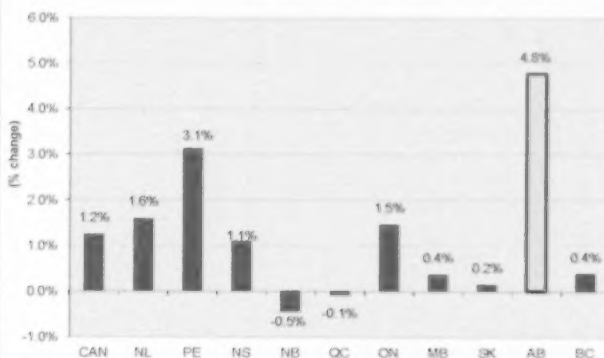
CPI Inflation
(October year-over-year % change)



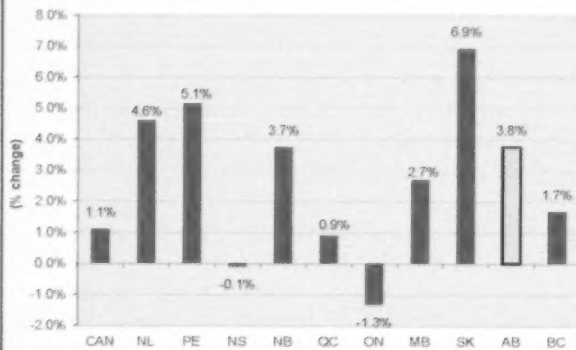
Unemployment Rate
(November 2011, Seasonally Adjusted)



Employment
(November 2011, SA year-over-year growth)



Average Weekly Earnings
(September year-over-year growth)



Housing Starts
(SAAR November 2011)

